



Change & Innovation Agency

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## Case Study, AZ:

Arizona Department of Economic Security (DES) Division of Benefits and Medical Eligibility (DBME)

**Areas: Nutrition Assistance, Cash, Medical, TANF**

**# of Agency Staff: 1800**

**Project Title: Process Management**

**Timeframe: 2010-2012**

## Type of Services Provided

- Business process reengineering
- Assessment/Program Evaluation
- Statewide Process Redesign
- Leadership, Staff & local management Training
- Implementation Planning and “go-live” roll-outs in 32 offices
- Planning for statewide implementation
- Post-Implementation Reviews
- Supervisor Academy

## Project Overview

Arizona is the second fastest growing state in the nation as well as one of the hardest hit by the recent economic downturn. The state boasts one of the most diverse populations in the Western United States – Arizona is home to the largest number of speakers of Native American languages while Latinos make up 30% of the state population.

The current economic conditions facing our country are driving an ever-increasing number of Arizonians to seek access to much needed safety-net services (SNAP, Medicaid, Cash, Childcare, Energy Assistance, Employment & Training Services, etc.) administered at the state level through a network of 60 local DES offices. These same economic challenges are also impacting the state’s revenues and forcing leaders to reduce staffing and funding for administrative costs. The principal challenge facing Arizona, like many other states and local governments across the nation, is one of capacity—having to withstand an unprecedented increase in demand for services with less staff and diminishing resources. Human service providers have experienced first-hand how families are struggling to make ends meet while feeling the impact from larger caseloads, less staff, and added stress.

## Challenges

- Staffing levels that do not match the caseload increases.
- Quality and timeliness that is adversely impacted by the workload increases
- Well intended technology projects that have not always delivered as promised
- Multiple customer contacts, either in person or over the phone, before completing an eligibility determination
- Large backlogs and unfinished determinations (pending cases), which in many circumstances represent cases that are ready to be worked because the customer turned in the required information – further increasing the number of unnecessary customer contacts.
- Large variance in how staff perform the work.

Arizona embarked in an effort to modernize the delivery of human services and public assistance programs. Their vision includes providing customers with multiple access points throughout their local offices, hospitals, and community-based organizations along with the use of technology (telephony, online, imaging) to facilitate such access. However, at the core of their modernization effort was a commitment to re-engineer their processes and business practices prior to investing millions of dollars in technology projects that frequently fail to address the lack of staffing capacity.

## Tasks Performed

In the fall of 2010, Arizona and the Change & Innovation Agency (CIA) began to analyze DES' most important eligibility practices to determine different strategies for processing the work. This business process reengineering (BPR) effort consisting of eligibility line staff, team supervisors, office managers, and administrative staff followed a structured approach for identifying opportunities and devising a new set of business practices. Every step and interaction was focused on evaluating the processes and systems in which staff do the eligibility work and developing/implementing a plan to bring improvements and increased efficiency. The major tasks performed during the life cycle of the project included:

- Assessment of local office operations and staff.
- Strategy sessions with leadership to develop a plan of action and approach.
- Redesign Teams to create work processes that are faster, more accurate, flexible, and focused on using precious eligibility worker time only on value-added tasks. As-is process mapping was conducted, barriers and bottlenecks were identified, and new processes were developed.
- Pilot Planning and Preparation to implement the new processes and business model
- Developed by the Redesign Team in two offices in the Phoenix Area. This phase included implementing service strategies needed to ensure a successful statewide rollout of the full model at all local offices. Readiness plans were developed and planning sessions conducted.
- Full Implementation Planning and Support for Rollout at 32 of their largest 60 local offices.
- Post-implementation reviews, assessment, and consultation.
- Supervisor academy for all local office managers and central office staff.

## Outcomes

Arizona started transitioning in February 2011 to their new service delivery model. The new processes focus on freeing up administrative capacity and improving quality by streamlining the most important eligibility practices and processes: Initial Application and Interviews; Verification and eligibility Decisions; Maintenance and Re-certification. Outcomes include:

- Mitigated an overall caseload increase (all programs) of 128% and staffing losses of 300 positions.
- Provide customers with same-day service and on-demand interviewing/processing at all local offices – Arizona successfully eliminated the practice of scheduling appointments to conduct interviews for all new/initial applications and renewals from existing customers (walk-in and telephone). Customers are seen, or interviewed over the phone, as they come-in or call. In most cases the applications and renewals are processed same day and the customers leave with a completed eligibility determination.
- Increased the percentage of families receiving benefits on same-day of application from 20% to 70% – 7 out of every 10 customers who interact with a DES local office end their interview with a determination on the same-day they apply or renew their eligibility.
- Reduced the average time to process applications and issue benefits from 30 days to 8 days.
- Mitigated caseload increases of 40 to 80% (depending on program type) and staffing losses of 300 positions
- Eliminated backlog of pending actions (applications, renewals, changes, interim reports). All local offices are processing incoming mail/work within 5-6 days of receipt.
- Developed tools to bring consistency to the eligibility determination work.
- Developed standard operating procedures.
- DES is on course to avoid a third consecutive year of financial sanction due to their SNAP payment accuracy rate for FFY 2010